From: <Pete_Sokolosky@ut.blm.gov>
To: "Anthony Gallegos" <nrogm.tgallego@state.ut.us>
Date: Wed, Aug 2, 2000 8:26 AM
Subject: Re: Bluebell, Hiko Bell and former LaStella project areas

S/04/7/050

Tony -

Thanks for your message about the status of the three inactive placer operations
with respect to their filings, or lack thereof with UDOGM. I wanted to share
with you some further information from our files about these inactive project
areas.

66357 - most northerly of the three project areas. Bluebell Oil Co. (3350 County
Rd #102, Rangley, CO 81648; point of contact - Craig Caldwell) is the operator
of record. It is estimated that 2 acres are disturbed. The project area is
basically rectangular in shape (see index map sent with cc:'s of my inspection
reports). In Dec. 1996 there was a fully functioning placer processing circuit
set up on location, although during the inspection, no one was on location and
the equipment was idle. Since that time, there have been no further operations
and the electricity was cut-off from the placer processing plant. The condition
of the equipment on this location have substantially deteriorated since that
time. This operation has been active since 1991. The operator is not in
compliance with the notice that is on file with our office due to the
installment of an underground conduit for power cables and the construction of a
wooden building.

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66354 - the middle of the three project areas. Norman Haslem (2041 South 2000
East, Vernal, UT 84078) is the operator of record (took over as operator of
record in November 1995; with this change of operator correspondence, Mr. Haslem
did receive a list of other regulatory agencies identifying the filing
requirements of UDOGM). Our office had issued Mr. LaStella a notice of
noncompliance and subsequent record of noncompliance in 1995, both were
rescinded when Mr. Haslem became the operator of record. There are about 4.9
acres of disturbance at this project area (irregularly shaped and includes seven
test trenches which were dug in surrounding area). A road which access the Hiko
Bell project area to the south is routed through the Haslem project area. This
project area has been inactive for a bit over 10 years. During my Dec. 1995
inspection it was evident that alluvial material had been removed from the
northeastern part of the Haslem project area and apparently had been processed
on the Bluebell Oil Co.'s project area. These operators were warned about not
intermingling operations.

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66358 - most southerly of the three project areas. Hiko Bell (P.O. Box 1845,
Vernal, UT 84078; point of contact - Robert [Bud] Covington) is the operator of
record. There are about 3.9 acres of disturbance (irregular in shape) at this
project area and it has been inactive for just over 10 years. A prior of
operator of record filled in a drainage between this and the Haslem project area
with cobble rock (without obtaining the appropriate permits nor advising the BLM
that this was a change to their notice; when Hiko Bell took over as operator of
record, they were notified of the requirement to remove this material from the
drainage was part of reclamation.

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The last thing I heard from Bud Covington is that they [Hiko Bell and Bluebell
Oil Co.] are working to repair a dozer and that they would start reclamation

soon thereafter. He is to notify me when the work commences.

As you can see, the cumulative acreage of disturbance of the Hiko Bell and Bluebell Oil Company's project areas is over 5 acres. If these operations were to combine under the BLM's surface management regulations, the operator of record would have to submit a plan of operation and post a bond. The operators of record have not approached the BLM with a proposal to merge these project areas. Please consider requiring a LMO from these two operators of record if they wish to remain merged into one operation under the Utah State mining and reclamation rules.

Perhaps we should jointly tour this area the next time you are in the area.

Please let me know if you need any other information from our files.